

CLAIMS

1 1. A method for resolving demand and supply imbalances
2 comprising:

3 identifying at least one excess component inventory
4 liability or at least one constraint in supply capability
5 for an end product by matching current buying patterns for
6 said end product against inventory liability and supply
7 capability based on a previous demand forecast;

8 where excess component inventory liability exists:

9 refocusing said at least one excess component
10 inventory liability by determining alternative end products
11 that use components identified in said at least one excess
12 component inventory liability; and

13 executing sales activities operable for enticing
14 sales of said alternative end products; and

15 where constrained supply capability exists:

16 determining alternative end products that are
17 functionally equivalent to those identified in said at
18 least one constrained supply capability; and

19 executing sales activities operable for enticing
20 sales of functionally equivalent alternative end products;

21 wherein said sales activities result in
22 reducing said at least one excess component inventory
23 liability or avoiding said at least one constraint in
24 supply capability.

1 2. The method of claim 1, wherein said identifying at
2 least one excess component inventory liability or at least
3 one constraint in supply capability includes:

4 exploding a bill of materials for a product structure
5 based upon a sales forecast, demand data, and supplier
6 commitment data;

7 imploding results of said exploding into end products
8 and an available to promise statement;

9 translating said results into lead times for delivery;
10 and

11 identifying remaining results not included in said
12 available to promise statement as excess component
13 inventory liability or constraint in supply capability for
14 an end product.

1 3. The method of claim 1, wherein said refocusing said at
2 least one excess component inventory liability by
3 determining alternative end products that use components
4 identified in said at least one excess component inventory
5 liability includes performing a supply liability reduction
6 process comprising:

7 a procurement and development assessment sub-process
8 including mitigation activities, said procurement and
9 development assessment sub-process mitigation activities
10 representing a greatest magnitude of liability;

11 wherein said procurement and development sub-
12 process mitigation activities are performed first in time
13 before other sub-processes.

1 4. The method of claim 3, wherein said performing a supply
2 liability reduction process further includes:

3 a liability council assessment sub-process including
4 mitigation activities, said liability council assessment
5 sub-process mitigation activities representing a magnitude
6 of liability less than that of said procurement and
7 development assessment sub-process;

8 wherein said liability council assessment sub-
9 process mitigation activities are performed second in time
10 after said procurement and development assessment sub-
11 process.

1 5. The method of claim 3, wherein said performing a supply
2 liability reduction process further includes:

3 a sales activities sub-process including mitigation
4 activities, said sales activities sub-process mitigation
5 activities representing a magnitude of liability less than
6 that of said liability council assessment sub-process;

7 wherein said sales activities sub-process
8 mitigation activities are performed third in time after
9 said liability council assessment sub-process.

1 6. The method of claim 3, wherein said performing a supply
2 liability reduction process further includes:

3 a liability write off sub-process including mitigation
4 activities, said liability write off sub-process mitigation
5 activities representing a magnitude of liability less than
6 that of said sales activities;

7 wherein said liability write off sub-process
8 mitigation activities are performed fourth in time after
9 said sales activities sub-process.

1 7. The method of claim 3, wherein said procurement and
2 development assessment sub-process mitigation activities
3 comprise at least one of:

4 rebalancing demand and supply by shifting demand or
5 supply from one geography to another;

6 selling components back to vendors;

7 negotiating with vendors to eliminate or reduce
8 liability based upon mutually agreed to incentives that
9 provide incremental value to both parties;

10 using excess components as field parts in support of a
11 warranty program or servicing requirements;

12 qualifying excess components in new products; and

13 adjusting said sales forecast to account for excess or
14 constrained components.

1 8. The method of claim 4, wherein said liability council
2 assessment mitigation activities comprise at least one of:
3 updating said sales forecast to account for excess or
4 constrained components;
5 conducting squared sets analysis;
6 brokering components or products that are no longer
7 saleable;
8 creating saleable bundles with other current
9 offerings;
10 developing option packages;
11 determining alternative routes to market; and
12 making liability write-off determinations.

1 9. The method of claim 5, wherein said sales activities
2 sub-process mitigation activities sub-process comprise at
3 least one of:
4 developing a promotion for long-term over supply
5 through advertisements and communications media;
6 offering a solution via alternate routes to market;
7 authorizing pricing actions comprising at least one
8 of:
9 price decreases;
10 discount incentives; and
11 pricing delegations;
12 establishing incentives for buying or selling;
13 reassessing commission structures for an offering; and
14 updating telesales team scripts for inbound and
15 outbound telephone calls.

1 10. The method of claim 6, wherein said liability write
2 off mitigation activities comprise at least one of:
3 negotiating with a vendor; and
4 scrapping components associated with said liability.

1 11. The method of claim 1, wherein said sales activities
2 include:
3 cross-sell;
4 up-sell;
5 alternative-sell; and
6 down-sell.

1 12. A demand conditioning process system for resolving
2 demand and supply imbalances comprising:

3 a supply liability reduction process executable upon
4 identifying at least one excess component inventory
5 liability, said supply liability reduction process
6 comprising:

7 a procurement and development assessment sub-
8 process and associated mitigation activities, said
9 procurement and development assessment sub-process
10 representing a greatest magnitude of liability;

11 a liability council assessment sub-process and
12 associated mitigation activities, said liability council
13 assessment sub-process representing a magnitude of
14 liability less than that of said procurement and
15 development assessment sub-process;

16 a sales activities sub-process and associated
17 mitigation activities, said sales activities sub-process
18 representing a magnitude of liability less than that of
19 said liability council assessment sub-process; and

20 a liability write-off sub-process and associated
21 mitigation activities, said liability write-off sub-process
22 representing a magnitude of liability less than that of
23 said sales activities sub-process;

24 wherein said supply liability reduction
25 process performs at least one sub-process in an order of
26 said magnitude of liability, said at least one sub-process
27 reducing said at least one excess component inventory
28 liability by:

29 determining alternative end products
30 that use components identified in said at least one excess
31 component inventory liability; and
32 executing sales activities operable for
33 enticing sales of said alternative end products.

1 13. A storage medium comprising machine-readable computer
2 program code for resolving demand and supply imbalances,
3 the storage medium including instructions for causing a
4 computer to implement a method, comprising:

5 identifying at least one excess component inventory
6 liability or at least one constraint in supply capability
7 for an end product by matching current buying patterns for
8 said end product against inventory liability and supply
9 capability based on a previous demand forecast;

10 where excess component inventory liability exists:

11 refocusing said at least one excess component
12 inventory liability by determining alternative end products
13 that use components identified in said at least one excess
14 component inventory liability; and

15 executing sales activities operable for enticing
16 sales of said alternative end products; and

17 where constrained supply capability exists:

18 determining alternative end products that are
19 functionally equivalent to those identified in said at
20 least one constrained supply capability; and

21 executing sales activities operable for enticing
22 sales of functionally equivalent alternative end products;

23 wherein said sales activities result in
24 reducing said at least one excess component inventory
25 liability or avoiding said at least one constraint in
26 supply capability.

1 14. The storage medium of claim 13, wherein said
2 identifying at least one excess component inventory
3 liability or at least one constraint in supply capability
4 includes:

5 exploding a bill of materials for a product structure
6 based upon a sales forecast, demand data, and supplier
7 commitment data;

8 imploding results of said exploding into end products
9 and an available to promise statement;

10 translating said results into lead times for delivery;
11 and

12 identifying remaining results not included in said
13 available to promise statement as excess component
14 inventory liability or constraint in supply capability for
15 an end product.

1 15. The storage medium of claim 13, wherein said
2 refocusing said at least one excess component inventory
3 liability by determining alternative end products that use
4 components identified in said at least one excess component
5 inventory liability includes performing a supply liability
6 reduction process comprising:

7 a procurement and development assessment sub-process
8 including mitigation activities, said procurement and
9 development assessment sub-process mitigation activities
10 representing a greatest magnitude of liability;

11 wherein said procurement and development sub-
12 process mitigation activities are performed first in time
13 before other sub-processes.

1 16. The storage medium of claim 15, wherein said
2 performing a supply liability reduction process further
3 includes:

4 a liability council assessment sub-process including
5 mitigation activities, said liability council assessment
6 sub-process mitigation activities representing a magnitude
7 of liability less than that of said procurement and
8 development assessment sub-process;

9 wherein said liability council assessment sub-
10 process mitigation activities are performed second in time
11 after said procurement and development assessment sub-
12 process.

1 17. The storage medium of claim 15, wherein said
2 performing a supply liability reduction process further
3 includes:

4 a sales activities sub-process including mitigation
5 activities, said sales activities sub-process mitigation
6 activities representing a magnitude of liability less than
7 that of said liability council assessment sub-process;

8 wherein said sales activities sub-process
9 mitigation activities are performed third in time after
10 said liability council assessment sub-process.

1 18. The storage medium of claim 15, wherein said
2 performing a supply liability reduction process further
3 includes:

4 a liability write off sub-process including mitigation
5 activities, said liability write off sub-process mitigation
6 activities representing a magnitude of liability less than
7 that of said sales activities;

8 wherein said liability write off sub-process
9 mitigation activities are performed fourth in time after
10 said sales activities sub-process.

1 19. The storage medium of claim 15, wherein said
2 procurement and development assessment sub-process
3 mitigation activities comprise at least one of:

4 rebalancing demand and supply by shifting demand or
5 supply from one geography to another;

6 selling components back to vendors;

7 negotiating with vendors to eliminate or reduce
8 liability based upon mutually agreed to incentives that
9 provide incremental value to both parties;

10 using excess components as field parts in support of a
11 warranty program or servicing requirements;

12 qualifying excess components in new products; and

13 adjusting said sales forecast to account for excess or
14 constrained components.

1 20. The storage medium of claim 16, wherein said liability
2 council assessment mitigation activities comprise at least
3 one of:

4 updating said sales forecast to account for excess or
5 constrained components;
6 conducting squared sets analysis;
7 brokering components or products that are no longer
8 saleable;
9 creating saleable bundles with other current
10 offerings;
11 developing option packages;
12 determining alternative routes to market; and
13 making liability write-off determinations.

1 21. The storage medium of claim 17, wherein said sales
2 activities sub-process mitigation activities sub-process
3 comprise at least one of:

4 developing a promotion for long-term over supply
5 through advertisements and communications media;
6 offering a solution via alternate routes to market;
7 authorizing pricing actions comprising at least one
8 of:
9 price decreases;
10 discount incentives; and
11 pricing delegations;
12 establishing incentives for buying or selling;
13 reassessing commission structures for an offering; and
14 updating telesales team scripts for inbound and
15 outbound telephone calls.

1 22. The storage medium of claim 18, wherein said liability
2 write off mitigation activities comprise at least one of:
3 negotiating with a vendor; and
4 scrapping components associated with said liability.

1 23. The storage medium of claim 15, wherein said sales
2 activities include:

3 cross-sell;
4 up-sell;
5 alternative-sell; and
6 down-sell.